ELECTRONIC COMMERCE ACTIVITIES
IN FISCAL YEAR 1998

- **Efforts Related to Governmentwide Building Blocks**

  - *Expanding and enhancing catalog purchasing, by increasing interoperability as feasible, linking to payment utilities, and migrating to commercial solutions.*

    <u>GSA Advantage</u>

    Over the past 3 years, the Social Security Administration (SSA) has stringently tested *General Services Administration (GSA) Advantage*. This testing began with a minimum number of users in the Office of Acquisition and Grants (OAG) and in the Center for Supply Management. In Fiscal Year (FY) 1998, use of *Advantage* was expanded to all operational offices within OAG. In addition, *Advantage* was introduced and made available to the ten regional contracting offices and all micropurchasers in SSA Headquarters' and field offices.

    SSA has been proactive in working with GSA in identifying problem areas with *Advantage*. A central point of contact for collecting information regarding potential areas for improvement or identification of problems with *Advantage* has been established in OAG. SSA continues to provide feedback to GSA and to work with GSA on these areas of concern. The lead Contract Specialist on the *GSA Advantage* pilot has developed a *GSA Advantage* users' guide that can be used to train new users and to assist current users in troubleshooting difficulties encountered while using *Advantage.*

    <u>CommerceNet</u>

    SSA has become an active participant in the implementation and testing of CommerceNet. The Agency has recently reaffirmed its continuing interest in and commitment to GSA and CommerceNet's efforts to expand electronic commerce in the government sector.

  - *Increasing and improving use of electronic payment utilities through purchase card implementation for account management, invoice and remittance processing, and intragovernmental transfers.*

Purchase Card Utilization

Utilization of the purchase card has been promoted throughout the Agency. SSA was one of the agencies that participated in the initial pilot test of the feasibility of a government purchase card. Since beginning that pilot, the Agency has seen sustained growth in the utilization of the purchase card and in the dollars obligated through this purchase mechanism.

A total of 2,724 purchase cards have been issued throughout SSA as of September 30, 1998. The majority of these purchase cards are utilized for micropurchases, and the cardholder has a maximum obligation authorization of $2,500 per purchase. A limited number of cardholders have higher authorities assigned to their purchase cards.

OAG has developed online training programs (one for Headquarters' personnel and one for field office personnel) for micropurchasers that potential cardholders are required to complete prior to being given purchasing authority and issued a purchase card. This online course is also available to the micropurchasers as a resource they can use during daily application of the purchase program. The course addresses issues such as the legality or appropriateness of a particular proposed purchase or how a particular transaction should be handled. In FY 1998, both the Headquarters' and field courses were updated to reflect current acquisition regulations.

In addition, OAG has developed an Acquisition Alert process for providing immediate e:Mail notification to all purchase cardholders and their supervisors of changes to regulations regarding purchase cards or general acquisition guidance. This continues to be a useful tool to keep cardholders up-to-date on regulatory and policy changes and has been particularly useful as the Agency migrates from one purchase card provider (US Bank) to the new purchase card provider (Citibank). Other offices within the Agency (e.g., the Office of Financial Policy and Operations (OFPO), Office of Supply Management, etc.) have found this a useful tool to disseminate information. All Acquisition Alerts are maintained on the OAG Intranet homepage and, thus, are immediately available to new and current cardholders as a reference resource.

SSA's purchase card utilization continues to grow. The number of actions processed using the purchase card increased by 23 percent in FY 1998 (96,113 actions vs. 78,352 actions in FY 1997). The total dollars obligated utilizing the purchase card increased by 12 percent in FY 1998, up to $49,521,917 from $40,627,663 in FY 1997.

To simplify purchase card statement reconciliation and to expedite payment on purchase card purchases, SSA has developed an automated Purchase Card Reporting System (PCRS). PCRS is used to forward a copy of the individual cardholder's statement of account (SOA) to cardholders on a weekly basis. The cardholder is able to reconcile purchases made to those appearing on the SOA, insert appropriate accounting and appropriation data and submit this information to the Office of Finance (OF) electronically. PCRS also consolidates all SOAs into a single invoice that is paid within 24 hours of receipt of the consolidated electronic invoice in OF. An electronic interface was developed between PCRS and the OFPO Financial Accounting System (FACTS) for the proper recording of purchase card expenditures.

The purchase card vendor is working with OAG's Information Technology Staff to move to an Internet-based reporting system to replace PCRS.

Interface with Purchasing Systems

SSA uses an automated interface between OAG's Acquisition Management and Operating Systems (AMOSS) and OFPO's FACTS. This interface provides the means to automatically record all obligations for purchase orders and contracts.

Vendor Interfaces

During FYs 1997 and 1998, OFPO initiated an electronic commerce project to use the Electronic Data Interchange (EDI) standards and methodology to streamline the current process of paying the local telephone bills for SSA offices nationwide. In working toward an expanded electronic, paperless environment, SSA continues to enhance its electronic commerce capability, which permits vendors to deal with SSA's procurement and payment operations using EDI technology. The initial pilot was successful and is currently being expanded.

Payment Utilities

SSA continues to introduce technology and business
practices to enhance its payment delivery. During FY 1998,
SSA expanded and enhanced payments made through SSA's
automated accounts payable system. Specifically, SSA's
automated accounts payable system is designed to meet the
requirements of the Prompt Payment Act (PPA) and its
amendments. It includes the capability to monitor the
status of invoices through the payment process and
calculate payment due dates to ensure that the invoice is
paid on the most advantageous date and that the vendor is
compensated for a delay in payment of over 30 days.

The SSA automated scheduling process has the capability to
make electronic payments through the Department of Treasury
(Treasury) using both Treasury's Automated Clearing House
(ACH) and the EDI standards. Establishment of a central
customer service group and implementing Treasury's Payment
Advice Internet Delivery (PAID) system has contributed
toward SSA's goal of improving customer service by
increasing our responsiveness to vendors. These
applications allow vendors to check the status of their
Electronic Funds Transfer (EFT) and check payments either
by telephone or through the Internet (EFT payments only).
In addition, vendors paid through EDI receive electronic
remittance data through their receiving bank. For
Treasury's ACH payments, vendors can review their
remittance information through the PAID.

OAG has included a link on their Internet homepage to the
Division of Administrative Payments Vendor Information
Page. This link permits vendors who access this page to
get information about the payment process and direct
deposit and, through a link with Treasury's PAID system,
check on the status of their payments.

Consistent with the Debt Collection Improvement Act (DCIA)
of 1996, a concerted effort has been made to ensure that
payments on contracts are made via EFT. To this end, all
SSA contracting offices (Headquarters and regional offices)
were provided directives on implementing EFT on new
contract awards and conversion of existing contracts to EFT
payments.

In accordance with DCIA of 1996, which mandates that all Federal payments, except tax refunds, must be made by EFT after January 1, 1999, SSA has increased its electronic payments to 81 percent of total payments and 90 percent of total dollar payments in FY 1998. This represents a 10 percent increase in electronic payments from the prior fiscal year including a 16 percent increase in charge card use.

The PPA and its implementing regulations are focused on ensuring timely and accurate payment of vendor invoices by Federal agencies. The Act requires payment within 30 days of receipt of a proper invoice or goods or services, whichever is later. If the payment is late, an interest penalty must be paid.

During FY 1998, continued progress was made toward eliminating interest penalties, with SSA having made 99.3 percent of payments on time. SSA managed to decrease the number of interest payments while increasing the number of invoices paid subject to the PPA. Of the .7 percent of late payments, only .1 percent were paid with interest. SSA's ultimate goal is to eliminate all interest penalties.

SSA exchanges data among vendors, organizations, State and Federal agencies for both program and administrative activities. This complex data exchange application uses commercial products to provide the infrastructure for electronic commerce. These products enable SSA to automatically manage remote systems and electronically exchange information securely and reliably across Agency and department boundaries, over various platforms, networks and protocols. This allows SSA to integrate their business systems with other "commerce" or trading partner communities via EDI and electronic messaging. The products have contributed to the accuracy, reliability, automation and security of payments.

FY 1998 Vendor Payment Information

❖ $845.7 million in total payments
❖ $768.7 million (90.9%) paid via EFT

❖ 98,364 DOT scheduled payments
❖ 79,337 (80.7%) paid via EFT (134 via EDI)
❖ 75 vendors receive payment information through PAID

❖ 96,113 purchase card transactions totaling $49,521,917
❖ 2,724 purchase card holders

<u>Intragovernmental Transfers</u>

SSA has been a participating agency in the Intragovernmental Transfers Agency Advisory Board workgroups. SSA will continue this participation in future years.

▪ *Migrating to standard commercial services for electronic identification and authentication of buyers and sellers (including the use of commercial risk structures) as well as for management of information about sellers, as appropriate.*

Recognizing the need to control access to purchasing systems and limit access to those authorized to make purchases for the Agency, SSA has been limiting access to electronic purchasing systems through the use of "Logins" and "Passwords" through Netware.

SSA is partnering with GSA on the Access Certificate for Electronic Services (ACES) Project piloting development of a Public Key Infrastructure (PKI). SSA is working towards the development of a unified PKI for the Agency.

OAG maintains an automated Solicitation Mailing List (SML). This system is advertised over the Internet, where interested sellers can download an application and send it into SSA for inclusion in the SML. This system contains contract information about sellers and, based on the product service codes included on their SML application, what types of commodities and/or services that they are interested in receiving solicitations for. This is an Agency system. A more complete description of the Agency process for obtaining and maintaining information about vendors is discussed later in this report.

▪ *Making contract formation and administration easier and more effective for buyers and sellers (including small businesses), through use, among other things, of electronic market research tools, and participation in pilot efforts to enable sellers to gain electronic access to government business opportunities through a single, governmentwide point of entry.*

SSA's Headquarters procurement office has had an Internet presence for over 2 years. The Electronic Commerce Internet site is called "SSA's Office of Acquisition and Grants Acquisition Home Page." Statistical data is gathered each month on the number of accesses for these Internet pages, and it typically exceeds 4,000 "hits" each month. This page links to vendor registration applications, Freedom of Information Act information, solicitations and more.

The "SSA Headquarters Procurement Opportunity" page, which currently includes: (1) Commerce Business Daily announcements of pre-solicitation notices, special notices of combined synopsis and request for quotations, sources sought announcements, summarized award notices and amendments grouped by category, and (2) solicitations for downloading in either Microsoft Word or Text format. This site is automatically maintained as a function of the Acquisition Management System. Each entry on this page is dated and automatically removed when it expires.

The "SSA Acquisition Improvement Program" page solicits improvement ideas or suggestions for improvements in acquisition-related activity and SSA from the vendor and government community.

The "Social Security Administration Bidders' Mailing List" page includes instructions and a downloadable Bidder's Mailing List Application. This page also includes a current list of all vendors registered with SSA, grouped by the Product Service Code (PSC) they offer. The Bidder's Mailing List Application is currently received in the mail and added to the SSA Bidder's Mailing List Database.

Acquisition-related information aimed at making doing business with the Federal Government and, specifically, SSA less frustrating, more effective and more efficient is available on the Acquisition Information page.

The "SSA Grant Information Page" is a part of an expanding and diverse strategy of communications with organizations interested in SSA research and demonstration grant programs. This page leads to information about SSA grant programs (i.e., the kinds and characteristics of awards made by SSA, how to apply for an SSA grant; applicant eligibility and cost-sharing requirements; and SSA grant program announcements).

The "SSA/OAG Freedom of Information Act" page displays SSA's procurement data most frequently requested by the public under the Freedom of Information Act. This information contains lists that are updated automatically by the Automated Procurement System used by this Agency.

SSA has provided Internet access to the entire procurement community within the Agency. The Internet is used heavily for market research and online purchasing throughout the Agency.

OAG utilizes past performance as an evaluation factor in many of its acquisitions. In fact, many acquisitions are now awarded based on an evaluation exclusively of technical acceptability, experience, past performance and price. OAG subscribes to the Federal Procurement Data System (FPDS) database to assist it in identifying additional past performance contacts on vendor's offers.

OAG has had in place for many years a formal performance evaluation process, which includes, at a minimum, annual evaluations of contractor performance. On some contracts, performance reports are obtained as frequently as monthly. This information is stored in hard-copy reports in contract files.

- *Using contract writing systems, where appropriate, to automate buying related business functions.*

  Contract-writing System

  SSA uses a commercial-off-the-shelf (COTS) package for the Agency contract writing process, which directly incorporates the Federal Acquisition Regulations. The system currently in use is FARA by CompuSearch.

  Seven of the 10 regional contracting offices now have access to this system. OAG in SSA Headquarters has been utilizing this system for a number of years and has implemented the Windows NT version.

  Buying-Related Business Function Systems

  SSA uses an automated acquisition management system for its Headquarters' acquisition activity. This management system is being made available to the ten regional contracting offices. By the end of FY 1998, 7 of the 10 regional offices had been given access to this management system.

This automated system incorporates: (1) detailed advanced Agencywide acquisition planning; (2) purchase request tracking and scheduling; (3) award scheduling; (4) award generation; (5) management information reporting; (6) automatic feeds to the Federal Procurement Data Center; (FPDC) (7) automatic feeds to the Commerce Business Daily (CBD); (8) automatic feeds to SSA's Procurement Activity Internet Web Pages; (9) automatic feeds to SSA's Freedom of Information Act Internet Web Page; (10) an electronic interface to SSA's Financial Applications; and (11) automatic data gathering and report generation for SSA's utilization of Blanket Wage Determinations for the Baltimore/Washington Metropolitan Statistical Area.

Beginning in FY 1998, OAG began a project to consider replacement of their internally developed AMOSS with a commercial-off-the-shelf system that would provide a more effective system than that currently being used. As a part of this review process, other processes such as requisitioning, funds commitment, and receiving information transmission were considered. While not the focus of this project, any potentially useful products will be identified to appropriate components within the Agency for consideration of future potential applications. This project will be completed in FY 1999 with a decision to replace the existing AMOSS system or to stay with that system but adoption of enhancements and refinements to make the system more effective in the Windows NT environment that it must operate in.

In FY 1998, all SSA-issued acquisition guidance has been added to the OAG Intranet homepage. This tool allows acquisition personnel in the Agency immediate access to the most current guidance and Agency acquisition procedures. This tool is available to all acquisition offices, including the regional contracting offices.

- *Using standard interfaces between Agency systems and commercial systems, including for accounting and reporting, and increasing access to electronic commerce performance information.*

<u>Acquisition</u>

SSA uses an electronic interface from our Automated Acquisition System directly to the CBD. SSA also uses an electronic interface from our Automated Acquisition System directly to the FPDS. The interface between SSA and FPDS is on a monthly and quarterly basis for reporting contracting activity to the FPDC.

<u>Payment</u>

The SSA uses the American National Standards Institute (ANSI) EDI standards in its pilot electronic commerce project to pay local telephone service bills. We expect to expand the approach to other types of bills.

OFPO also uses the ANSI EDI standards for payments to our EDI-billing vendors. This standard allows the EDI-capable vendor to electronically liquidate its accounts receivables, thus reducing manual intervention and discrepancies between the SSA accounts payable records and the vendors accounts receivables.

▪ *Fostering government and commercial electronic commerce partnerships.*

SSA's focus has been to provide the necessary tools to make the acquisition and invoice payment processes more efficient, effective, and timely. Along with that, assuring that the commercial marketplace has access to the Agency, to business opportunities with the Agency, and ready access to information necessary for doing business with the Agency has been a high priority as the Agency develops its electronic commerce processes. The description, above, of SSA's Office of Acquisition and Grants Acquisition Home Page, is but an example of the agency focus and its accomplishment of this priority.

OAG's Small and Disadvantaged Business Utilization Staff (SADBUS) actively utilizes Procurement Marketing and Access Network (PRONet) for identifying potential small, disadvantaged and women-owned businesses for its acquisitions. OAG has a very proactive program to maximize utilization of these sources. PRONet, in addition to intense one-on-one and conference-format interactions with targeted businesses, has resulted in SSA consistently achieving set-aside goals.

OAG and its SADBUS participated in or sponsored six major acquisition conferences targeted towards small, disadvantaged and women-owned businesses. The focus of these conferences has been on the many changes occurring in the Federal acquisition arena and what these businesses need to do to become or remain competitive.

The SSA is a member of the ANSI and the Government Electronic Data Interchange subcommittee.

OFPO initiated a project to, where appropriate, utilize the ANSI EDI standard transaction formats for receiving invoices. OFPO determined that utilities and specifically telephone companies were existing users of the ANSI EDI standards. In addition, paying local telephone bills was a high volume paper and resource intensive operation. Research revealed that the telephone industry is one of the mature industries with its own TeleCommunications Industry Forum (TCIF) for Electronic Commerce and EDI. OFPO is an active member of the Telephone Bill Work Group (TBWG). In this manner, we are government proponents of electronic commerce. As OFPO expands its EDI capabilities, we will interact with other ANSI X12 EDI industries and companies.

Based on the experience of working with the TBWG, OFPO believes expanding our understanding of various industry billing practices and an open exchange of ideas will result in improvements in billing and paying practices for both government and industry.

- **Additional Efforts**

  - *Uniform Implementation Throughout the Agency.*

    Recognizing the benefits derived from the myriad of available automation utilities, OAG has undertaken to make available to all ten regional contracting offices all of the automation tools available in OAG. In FY 1998, we were successful in assuring access to OAG's automation tools in seven of the ten regions. Access for the remaining three offices will be accomplished in FY 1999.

The extent to which Internet access will be given to Agency employees is an issue currently being discussed within the Agency. In order to maximize acquisition efficiency and effectiveness, Internet access is considered vital to the continued expansion of electronic commerce within the Agency. Therefore, Internet access for acquisition purposes is being expanded within the Agency. All acquisition personnel in OAG currently have access and access is available in all but one regional office. This office will be given access as soon as possible.

Beyond access to the Internet for market research and acquisition purposes, electronic means for drafting solicitations and contracts, regulation research, acquisition planning, processing and reporting are all considered vital tools to improve the process. The availability of OAG's toolbox of systems is being made available Agencywide for acquisition purposes. This access will ensure consistency throughout the Agency for acquisition processes and procedures. The use of PCRS for purchase card reporting has enabled the Agency to automate a time-consuming, labor-intensive process into one that takes advantage of automation, provides for consistent reporting processes and procedures, allows for easy tracking of unreconciled purchases and permits the easy collection, consolidation and transmission of management and acquisition information within the Agency and to the FPDC.

- *Use of Existing Electronic Commerce and Electronic Data Interchange Systems and Infrastructures.*

  The nature of the acquisitions processed by SSA does not allow for successful utilization of infrastructures such as the Federal Acquisition Computer Network (FACNET). In FY 1997, SSA undertook to utilize the Central Contractor Registry and FACNET to process acquisitions. Only a very small percentage of the vendors that SSA has done business with indicated any interest in or willingness to participate utilizing these tools.

As stated earlier in this report, EDI processes are
currently being utilized in the payment process for local
telephone services throughout the nation and EDI processes
have been successfully utilized for payment purposes on
certain large contracts. Utilization of the purchase card
for acquisition and payment purposes has been an
overwhelming success within the Agency and has shown steady
growth each year. There are a number of possibilities
under consideration for further expansion of the use of the
purchase card, including the acquisition of medical
evidence and financial records utilizing the purchase card
and expanded usage of the purchase card as a payment
mechanism under existing SSA contracts, Blanket Purchasing
Agreements and Basic Ordering Agreements.

Utilization of Internet-based catalogs is seen as the next
step in the further expansion of electronic commerce
initiatives. *GSA Advantage*, as the forerunner to
interoperable cataloging, has been utilized throughout the
Agency. As a participant in the GSA-sponsored CommerceNet
pilot, it is expected that SSA will make full utilization
of this process and will further expand the electronic
toolbox of processes that are available to acquisition
personnel within the Agency.

The Intelligent Workstation/Local Area Network (IWS/LAN) is
the linchpin for both SSA's customer service program and
its entire business approach. It will facilitate many of
the planned productivity improvements and enable
improvements in electronic commerce. While not strictly
for improving the acquisition and payment process, this
information technology equipment and software, it is
central to the Agency moving forward with its planned
enhancements utilizing electronic commerce and electronic
commerce processes for other than commerce activities
(e.g., utilization of a "smart card" for payment of
benefits, etc.).

- *Access to Federal Government Procurement Opportunities.*

  SSA currently uses CBDNet to advertise acquisition
  opportunities to the marketplace. It is expected that in
  FY 1999, SSA will become a participant in the multi-agency
  Electronic Posting System pilot currently ongoing.

The focus on assuring continued access to business
opportunities for small business concerns, socially and
economically disadvantaged small business concerns and
business concerns owned predominantly by women is of vital
importance in this Agency. Through its own efforts and
through various advocacy groups, OAG and its SADBUS have
been counseling these target groups on the importance of
maintaining their awareness of how acquisition processes
are changing. A key focus of our discussions in these
forums and in one-on-one meetings with these target
businesses is that these businesses must establish a
knowledge base of electronic acquisition processes and
procedures and assure that they have the capability to
access the Internet and the online tools currently in use
and under development.

Consistent with acquisition regulation, all acquisitions
exceeding the simplified acquisition threshold are screened
for potential set-aside under one of these priority
programs. Except when sufficiently justified, all
acquisitions exceeding the micropurchase threshold and
under the simplified acquisition threshold, are set aside
for small business concerns.

Following are statistics on SSA's socioeconomic
accomplishments for FY 1998:

CATEGORY	SSA GOALS	ACTUALS
Small Business	35.0%	37.5%
Minority Direct/SBD not 8(a)	5.4%	5.2%
8(a)	13.0%	12.5%
Women-Owned Small Business	5.0%	4.7%

As can be seen, SSA has been successful in meeting or
coming very close to meeting its socioeconomic goals this
past year. A focus on assuring that this portion of the
vendor marketplace is given the opportunity to compete for
and/or receive a representative portion of SSA's
acquisition dollars will continue with a goal of exceeding
the established annual goals.

- *Notice of Agency Requirements.*

  SSA currently utilizes CBDNet to publicize acquisition opportunities. As well, it is planned that SSA will begin participating in the Electronic Posting System pilot in early FY 1999. Upon designation of "a single, Governmentwide point of entry" by the Office of Federal Procurement Policy, the Agency will comply with utilization of that system for announcing procurement opportunities.

- *Statistics on Utilization of Electronic Commerce Methods for FY 1998.*

  96,113 purchase card transactions
  $49,521,917 obligated utilizing purchase cards

  79,337 payments via electronic funds transfer
  $768.7 million paid via electronic funds transfer

  90,000+ files exchanged each month with our trading partners (this includes non-acquisition/payment-related processes as well)

  FY 1998 EFT Payments to Entitled Individuals

PROGRAM	NUMBER OF EFT PAYMENTS	DOLLARS (IN THOUSANDS)
OASDI*	374,432,719	$272,932,165
SSI**	31,762,219	11,750,293
Total	406,194,938	$284,682,458

  *OASDI – Old Age, Survivors, Disability Insurance
  **SSI – Supplemental Security Income

  FY 1998 EFT Payments to the States through Automated Standard Application System

  Transactions   6,725
  Dollars in Thousands $1,344,091

  FY 1998 EFT Payroll Payment Activity

  Transactions   1,710,366
  Dollars in Thousands $3,442,713
  % of Total Employees on EFT 96.8%

- **Participation in Interagency Groups**

  SSA participated in the following interagency electronic commerce groups in FY 1998:

  Chief Financial Officers Council, Systems Committee, EC
    Workgroup
  Interagency Acquisition Internet Council
  Federal Electronic Commerce Coordinators
  Intragovernmental Transfers (IGOTS) Agency Advisory Board
  GSA CommerceNet
  GSA ACES Project
  PriceWaterhouseCoopers Electronic Commerce Best Practices
    Workgroup
  Gartner Group Best Practices Workgroup
  United States Postal Service Pilot for E-Mail Deliveries

  At a minimum, participation in these groups is valuable for information exchange. As an Agency that is moving more and more towards utilization of electronic commerce processes in its business processes, it is considered vitally important that the Agency: (1) keep informed of what is happening in the EC arena; (2) have a voice in processes or regulations that will be utilized or enforced governmentwide; and (3) share its wealth of knowledge and experience with other agencies.

- **Vendor Data Collection**

  - *Vendor Data Collected as Part of Purchasing/Payment Processes.*

    Purchasing

    SSA utilizes Standard Form (SF) 129, which can be downloaded from SSA's OAG home page, to gather information from vendors seeking to do business with SSA. This form gathers information from vendors regarding their size, the

product/service codes for those commodities or services they are interested in providing, and information regarding their organization. Following is a list of the data fields on the SF-129:

> Vendor name, address, telephone number
> Mailing address to which solicitations are to be sent
> Type of organization
> Name of vendor officers, owners, and partners
> Affiliates
> Person(s) authorized to sign offers/contracts
> Product Service Codes they are interested in receiving
>   solicitations for
> Size of Business (small, other than small)
> Average number of employees
> Average annual sales
> Type of ownership (disadvantaged, women-owned)
> Type of business (manufacturer, construction,
>   research, service, surplus)
> DUNS Number
> How long in business
> Floor space (manufacturing, warehouse)
> Net worth
> Security Clearance (for key personnel or plant
>   personnel)

<u>Payment</u>

All vendors are required to complete SF-3881 and submit it to SSA. This information is submitted to and maintained in the OF and is used for payment purposes. Following is a list of the information fields on the SF-3881:

> Payee/Company Information – The Taxpayer Identification Number (TIN) must be provided on all invoices with the intent to use for payment purposes, as well as, the collection and reporting of delinquent debt in accordance with the DCIA of 1996.

> Financial Institution Information – Name and address of financial institution, ACH Coordinator (a contact at the bank in the ACH Department, if applicable), phone number of the bank contact, 9-digit Routing Transit Number (this number uniquely identifies any financial institution and is used to direct the payments to the designated receiving financial institution), Depositor Account Title (if different

from the vendor's name), Depositor Account Number, type of account (checking or savings), signature and title of official authorized to grant SSA the authority to receive and maintain this financial institution information for deposit of payments, and the telephone number of that authorized official.

- *How Vendor Data Are Collected.*

  The SF-3881 is mailed to all new vendors who have not had a previous delivery/task order or contract with SSA. We perform routine mailings on those vendors still receiving checks.

  The banking data are maintained in OF's Financial Accounting System's vendor file. The TIN and remittance information is retrieved from the contracts and purchase orders or, for unobligated transactions, from the invoice.

  In addition to the SF-3881, vendors who want to be registered with SSA download the SF-129 from SSA's OAG home page, complete it and mail it back to the SSA. This is considered to be an agency system. Vendors are asked to send updates to their registration on a yearly basis, and we periodically notify vendors that we are purging our list of vendors who have not participated in a solicitation and request an updated SF-129.

  In addition, we gather on a contract-by-contract basis socioeconomic information about each vendor and store that information in the Automated Acquisition System.

- *How Vendor Data Are Used.*

  Banking data are input into the vendor file and when an invoice is processed for payment, the data in the vendor file are accessed and the payment is sent to the bank.

  OAG uses the information gathered from the Bidder's Mailing List Application (SF-129) for mailing pre-solicitation notices and solicitations. The information gathered during the award process is stored and electronically transferred to the FPDS monthly and quarterly.

- *How Agency Databases Integrate Within the Agency and With Federal Databases.*

  <u>Finance Databases</u>

  The Central Accounting Database (FACTS) is where all vendor data and transactions are stored. This database generates payments and accounting transactions as well as various reports, such as the Prompt Payment Report. It does not integrate with any 'outside' databases.

  <u>Acquisition Databases</u>

  As stated above, the information gathered on the SF-129 is used for developing mailing lists for pre-solicitation notices and solicitations. Information gathered during the award process (standard information determined by the Federal Procurement Data Center) is electronically transferred to the FPDS on a monthly and quarterly basis.

- *When, where and how is financial data collected from vendors?*

  Every vendor receiving a contract or order award for the first time from SSA, is automatically mailed a SF-3881. In order for the vendor to receive payments on that and any subsequent contract/order, completion and submittal of this form is required.

- *Is the receipt of financial data a condition for contract award?*

  No, but it is required as an administrative deliverable under the contract and no payments can be made until this data is received. OF is currently setting up procedures to return all invoices where the vendor does not have EFT information submitted.

- *When and how is financial data validated?*

  When OF receives an enrollment form (SF-3881) from OAG or the vendor, the Routing Transit Number is verified in FACTS' bank file. After this process, a prenotification is sent to the bank. A "prenote" is a zero dollar entry that is sent to the vendor's bank to validate the data. If OF does not receive notification from Treasury within 6 days from when the prenote was sent, we are to assume the information is correct and valid.

- *Are there any unresolved issues regarding vendor financial data between the finance and contracting activities in SSA?*

  No.